

EFFICIENT BUSINESS PLANNING AND CONSOLIDATION IN HEALTHCARE

STREAMLINE BUDGETING PROCESSES AND REDUCE BUSINESS RISK

While medical advances enable healthcare providers to deliver more effective and specialized care than ever before, intensifying economic challenges make it difficult to sustain a healthy bottom line. Diverse forces – including rising patient care costs, declining reimbursements from public and private payers, and price- and quality-conscious consumers – contribute to increased financial pressures. In this dynamic environment, executing accurate financial modeling and operational budgeting is both challenging and time-consuming.

To accurately and efficiently project patient volume, reimbursements, and expenses, your organization requires an enterprise performance management solution that integrates financial and patient data into a unified planning environment. You need software that aligns departmental budgets with your organization's strategic goals, providing transparent information that helps department managers and executives clearly understand the impact of their financial choices. And your organization must have the ability to efficiently perform consolidations.

To meet these needs, many leading healthcare organizations are turning to enterprise performance management solutions like the SAP® BusinessObjects™ Planning and Consolidation application, version for the Microsoft platform.

Built for Business, Designed for Users

The application gives you access to reliable health-system data and optimizes planning and consolidation processes. In addition, the software allows you to align operational plans with your organization's goals, initiatives, and metrics defined using the SAP BusinessObjects Strategy Management application. You can execute to plan, understand risk factors, and have the financial resources budgeted to support all initiatives.

SAP BusinessObjects Planning and Consolidation gives business users personalized, role-based access to key functionality.

User Focused

The application provides an intuitive user experience using the following features:

- **Familiar interface** – The native interface to familiar tools such as Microsoft Office applications – as well as an intuitive, thin-client Web interface – means users are productive from day one.
- **Intelligent action panes** – The relevant, context-sensitive selections presented enable users to understand what to do, when to do it, and why – with minimal training.
- **Self-service reporting** – Drag-and-drop interfaces let users intuitively access information and create reports on the fly without requesting help from IT.

To realize healthy financial outcomes, healthcare providers need a unified planning and consolidation solution that is intuitive, adheres to standard processes, and helps identify potential risk. SAP® software helps you streamline the planning process and produce statutory and management reports.



Process Centric

Finance departments must ensure that staff and department managers follow consistent processes across the organization.

In this application, self-service business process flows guide users through each step in a process and help ensure process completion. The software comes with prepackaged process flows for common processes, based on best practices. Business users can own the process flows and modify them without help from IT. These process flows help finance structure budget forecasting and monitoring functions and aid department managers in formulating budgets.

Forward Looking

SAP BusinessObjects Planning and Consolidation leverages your historical operations and financial data to provide predictive analytics. It analyzes data and proactively delivers information such as reasons and root causes. This can help you assess past performance and make risk-adjusted plans.

Automated, predictive analytics proactively warn users of negative variances and identify performance metrics at risk of underperforming. The software also recommends actions that can change predicted outcomes. Sophisticated analysis helps you quickly find explanations for variances – and root causes – so you know where to focus management attention.

Unified

The centralized data repository contains up-to-date actuals from your operational systems in addition to planning

data. This combination provides you with a complete picture of past business performance and expectations for the future. Should you need to drill into the specifics – to compare variable patient care expenses from last year to the budget this year, for example – you can do that from one application. As a result, you can produce reports that foster confidence. With a greater understanding of your health system's performance, and insight into risk probabilities, your executives can make better decisions that help manage risk and contribute to improved financial outcomes.

Business Planning Functionality for Healthcare

SAP BusinessObjects Planning and Consolidation, version for the Microsoft platform, incorporates healthcare planning methodologies so that you can quickly deploy new planning and consolidation functionality in your organization. You can use the preconfigured software as delivered to accelerate implementation and enable more efficient, precise modeling and budgeting. And because the application is configurable, you can grow the solution to meet the dynamic planning needs of your organization.

Integrated Data Model

The application is built on an integrated data model that brings together financial and patient-centric data for more accurate planning. It supports income statement and balance sheet planning with data from the general ledger. The model also enables you to import data from additional sources, such as HR,

payroll, and patient records. A framework for data attributes lets you group data into related categories that support more meaningful modeling tasks. Thus, you can create projections of patient volume and rate changes, which can be made across multiple business scenarios. The data automatically flows through to reimbursement, workload, labor, and nonlabor expense plans.

Department-Level Planning

The application helps you engage department managers in the planning process by providing specific models or templates unique to the planning requirements of your routine, ancillary, and administrative departments. And because end users can find these models to be intuitive and the calculation methods easy to understand, they are more willing to use the software to support planning. Having the buy-in of department-level planners promotes greater accuracy, enhanced accountability, and increased ownership – while reducing the time to complete the budget.

Workload and Gross Revenue

Users in routine and ancillary departments can use the software to refine the impact of top-level volume assumptions on department workload and patient charges. For example, they can assess projections of patient days against bed mix or capacity, or they can modify the historical rate of services (such as the number of surgical minutes) per admission or per visit. Any resulting changes to gross-charge projections pass to your reimbursement plan. In addition, these volume adjustments automatically adjust variable labor and nonlabor expenses.

Labor and Nonlabor Expenses

The application supports detailed labor planning by employee and job class. Staffing grids and productivity metrics help managers align staffing hours to meet service-level demands. Moreover, you can project nonlabor expenses using common planning methodologies that help managers model inflation assumptions, adjust monthly amounts or spread methods, incorporate comments, and include line-item detail.

Reimbursement Modeling

You can use the application to project reimbursements across patient types and financial classes using data from patient-centric sources. The application uses a shared set of planning assumptions to apply global projections for growth across service-line and payer categories. Once these payer-mix refinements are complete, users can project reimbursement rates across patient type and financial class categories. They can do this by using specific inpatient and outpatient reimbursement methods, such as per case, per visit, per admission, percentage of charge, or case-mix adjusted. Users can verify the reasonableness of these reimbursement assumptions and calculations by comparing historical balances with imputed values. The application automatically integrates resulting values and plan assumptions into the overall budget, which increases the efficiency and accuracy of the planning process.

Budget Administration and Management Reporting

Users can also produce financial and operational reporting and analysis, including management reporting (includ-

ing exception reports), financial and operational analysis, and multidimensional analysis. The software also provides a “park-and-go” feature, which captures currently displayed data so users can work remotely offline when performing analysis.

Business Consolidation

The application helps you meet your legal and management consolidation and reporting requirements for a fast close process. Because a centralized data repository contains up-to-date actuals from your operational systems, you have access to harmonized charts of accounts, shaving weeks off your consolidation process and simultaneously supporting compliance with regulatory mandates. You can use the application to generate a centralized view of performance data and generate clear, transparent financial statements and reports.

You can also compare budget-to-actuals data, automate the intercompany elimination process, gain transparency into corporate transactions at all levels, manage any number of currencies, and perform conversions, allocations, and eliminations. Automated reports support relevant reporting standards. Finally, the application helps improve compliance with regulatory and financial standards and generates a fully documented audit trail.

The Benefits of Enterprise Performance Management

SAP BusinessObjects Planning and Consolidation is available as a version for the SAP NetWeaver® technology

To meet the financial management challenges unique to healthcare, you need a planning platform that can grow and evolve as needs change.

platform and a version for the Microsoft platform. The application is part of the SAP BusinessObjects enterprise performance management solutions. These solutions can integrate with SAP Business Suite applications; SAP BusinessObjects governance, risk, and compliance solutions; SAP BusinessObjects business intelligence solutions; and SAP BusinessObjects information management solutions.

SAP BusinessObjects Planning and Consolidation provides preconfigured planning methodologies for healthcare that help your organization become more agile – gaining alignment, visibility, and greater confidence to give you optimal control and competitive advantage. You can maximize healthy financial outcomes, manage risk and compliance, and optimize corporate systems, people, and processes across the organization.

Find Out More

For more information about SAP BusinessObjects enterprise performance management solutions, please visit www.sap.com/sapbusinessobjects/epm.

Summary

With the SAP® BusinessObjects™ Planning and Consolidation application, version for the Microsoft platform, you can streamline planning, forecasting, and budgeting unified with financial consolidation and statutory and management reporting for the enterprise.

Business Challenges

- Reduce cycle time for planning and budgeting processes and improve user productivity
- Model potential business strategies and decide on a course of action that maximizes value creation
- Streamline the statutory consolidation process
- Keep compliance and auditing costs down

Key Features

- **Business planning and budgeting** – Streamline and automate by using a collaborative top-down and bottom-up approach
- **Forecasting** – Produce more accurate plans and budgets, create rolling forecasts, and incorporate real-time actuals with historical data analysis
- **Predictive analysis** – Receive automatic alerts about potentially at-risk key performance indicators and recommended actions, plus one-click access to explanations for variances and root causes
- **Reporting and analysis** – Gain rapid access to and produce management and production reports in addition to performing financial, operational, and multidimensional analysis
- **Consolidation** – Centralize all performance-related data, shave weeks off consolidation processes, and improve compliance

Business Benefits

- **Reduce cycle time in creating and approving budgets** by enabling finance and line-of-business managers to collaborate for faster development and alignment of accurate budgets
- **Empower finance** to own and modify common business processes without IT assistance
- **Enable calculated decision making** by taking risk probabilities into account
- **Increase user productivity with minimal training**, thanks to native access to familiar tools such as Microsoft Office
- **Minimize business and compliance risk** by ensuring fully transparent finances and reporting with a fast close and fully documented audit trail from a single data repository

For More Information

Call your SAP representative, or visit us online at www.sap.com/sapbusinessobjects/epm.

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